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DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

State Dept. review completed

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HIGHLIGHTS

Government leaders in Saigon may be considering a more flexible position with respect to ending the war by negotiation. The US Embassy reports some evidence of growing public sentiment for a peaceful end to the conflict.

I. The Military Situation in South Vietnam:
Although little significant contact with the Viet Cong has been reported as Operation CEDAR FALLS continues to sweep the Iron Triangle area of Binh Duong Province, several large Communist rice caches were discovered on 10-11 January. (Paras. 1-3). South Korean Marines suffered heavy losses in an engagement with an estimated company-size Communist force ten miles northwest of Quang Ngai (Para. 4).

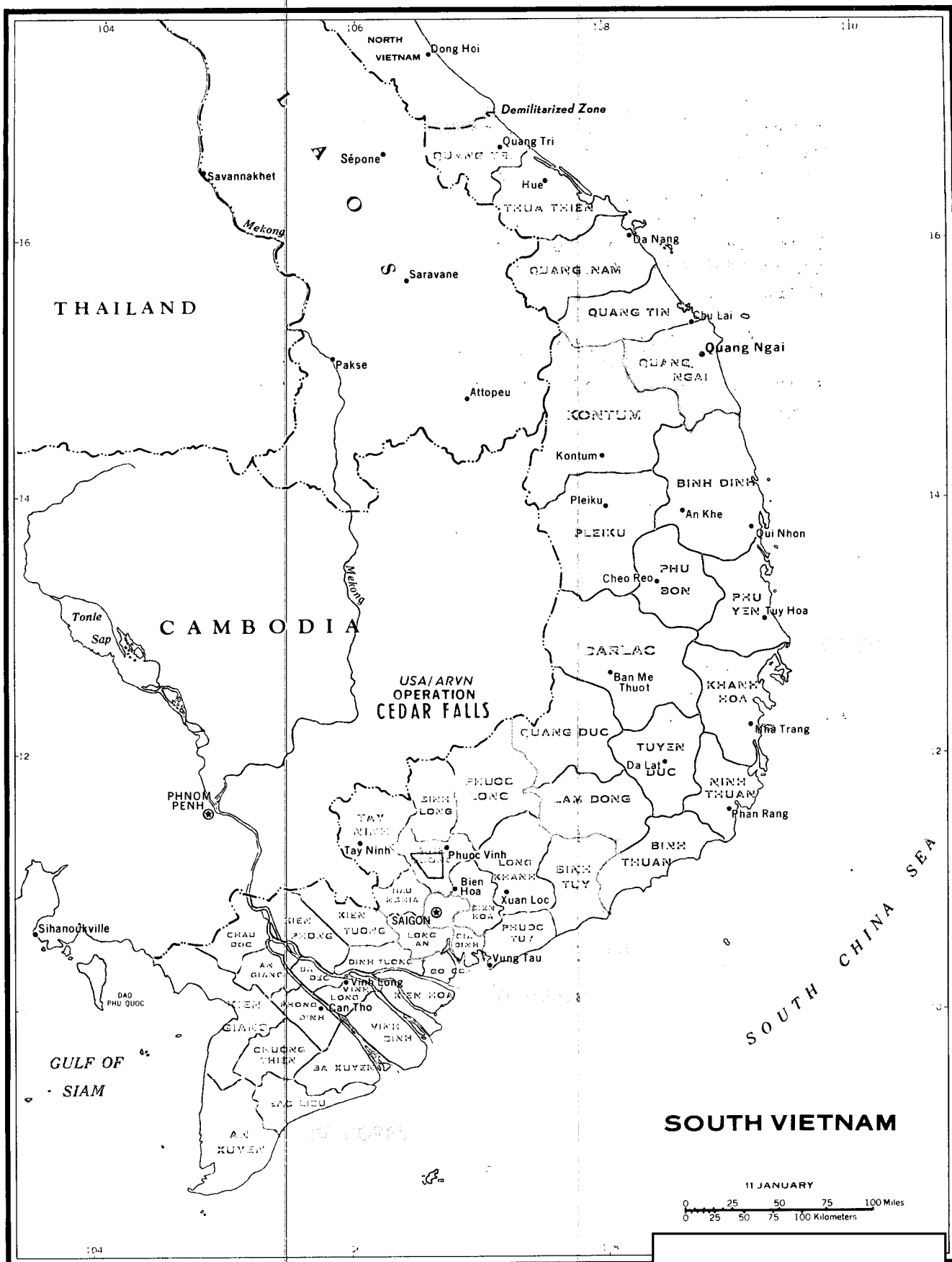
II. Political Developments in South Vietnam:
The US Embassy has noted an apparent increased willingness of government leaders to be more flexible regarding peace negotiations, and attributes this in part to an increasing public sentiment for a negotiated end to the war (Paras. 1-4). A Vietnamese military court on 10 January sentenced a Viet Cong to death for the assassination of Constituent Assembly delegate Tran Van Van last month (Para. 5). The Australian and New Zealand governments have invited Premier Ky for official visits beginning next month, despite the vociferous objections of opposition political parties in both countries (Para. 6).

III. North Vietnamese Military Developments: There is nothing of significance to report.

IV. Other Communist Military Developments: There is nothing of significance to report.

V. Communist Political Developments: A French government official has commented that mounting US military successes in South Vietnam and the prospect of weakened Chinese support because of internal strife in China may exert new pressures on the DRV to consider peace negotiations (Paras. 1-4). North Vietnam has denounced Thailand's decision to supply a limited number of combat troops for service in South Vietnam (Paras. 5-6).

VI. Other Major Aspects: Truck traffic in the Laotian panhandle has been less heavy than expected since the end of the rainy season last October (Paras. 1-4).



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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. US and South Vietnamese troops taking part in multibattalion Operation CEDAR FALLS in Binh Duong Province have reported only light and sporadic contact with Viet Cong guerrillas as their massive drive continues into the Communist stronghold area about 30 miles northwest of Saigon. This area has been designated the "Iron Triangle" because of its resemblance to a Communist stronghold of that name in the Korean war. It covers a 60 square mile spread of jungle and abandoned rubber plantations and has been heavily fortified with bunkers and tunnels.

2. In a 24-hour period on 10-11 January, several more enemy rice caches, amounting to more than 1.2 million pounds, were located. Communist casualties in this five-day-old operation are now 161 killed, 29 captured, and 272 suspects detained compared with American losses of 17 killed and 98 wounded.

3. To the north of Operation CEDAR FALLS, a base camp of the 3rd Brigade of the US 4th Infantry Division was struck by 27 rounds of 82-mm. mortar fire early on 11 January. Four Americans were killed and 29 wounded during the six-minute barrage. Damage to equipment was reported to be negligible.

4. South Korean Marines encountered an estimated company-size Communist force ten miles northwest of Quang Ngai city in coastal Quang Ngai Province on 10 January. Friendly casualties were reported as seven killed and 31 wounded (four US) with enemy losses unknown. An American helicopter supporting the South Koreans was downed by ground fire while escorting another helicopter on a medical evacuation mission.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. The US Embassy has commented that there apparently is a growing awareness among Vietnamese government leaders of the need to adopt a more flexible public stance on the question of a negotiated settlement of the war. The embassy believes that this shift, illustrated by Premier Ky's recent remarks that he would talk with Ho Chi Minh "anywhere, anytime," is based on an awareness by Ky and others of growing public sentiment favoring a negotiated end to the war, and their desire to cater to this trend in view of approaching national elections. Government leaders are delivering their remarks in the over-all context of a considerably improved military situation, thus implying that negotiations would be from a position of strength on the part of the GVN.

2. Direct concrete evidence of a growing public sentiment for peace is sketchy at best because of the general lack of free public expression. However, in addition to Ky's recent comments on his willingness to talk with Communist leaders, there is other somewhat indirect evidence of such a trend. For example, militant Buddhist leader Tri Quang is attempting to make some form of "political comeback" by stressing the issue of peace. In the past, Tri Quang has on occasion demonstrated his ability to recognize significant, potentially exploitable issues upon which a political movement could be based. Certain other civilian politicians have from time to time conveyed to US officials their feelings that the Vietnamese government should at least maintain some flexibility in its attitude toward negotiations.

3. The strength and depth of a public sentiment for a negotiated settlement remains difficult to judge. The US Embassy has noted the existence of a "growing segment" of the urban population which has prospered in a war economy and thus might not welcome peace, but has not defined it more specifically. On the other extreme, those most desirous of peace remain the rural peasantry who are closest to the war, but have little political voice.

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4. Related to the war-peace issue are general Vietnamese attitudes toward the American presence. The embassy has reported that the basic Vietnamese attitude is gratitude for assistance given, but that there is increasing resentment in regard to certain aspects of the US presence. The embassy expects this resentment to grow and feels that it may become the single most important problem in US/GVN relations in 1967. Although interest in negotiations could be spurred by such resentment, it is also possible that the depth of the US involvement may be leading the Vietnamese to view the prospect of negotiations with increased confidence.

Viet Cong Sentenced for Assassination of Tran Van Van

5. According to press reports, a Vietnamese military court on 10 January sentenced Vo Van En, a self-confessed Viet Cong, to death for the assassination of prominent Constituent Assembly delegate Tran Van Van last month. En admitted driving the motor scooter from which an accomplice did the shooting, but denied firing the fatal shots himself. En's lawyer reportedly will file an appeal for clemency. The US Embassy reported earlier that En's trial has attracted little attention among the general public or Constituent Assembly delegates.

Premier Ky to Visit Australia and New Zealand Soon

6. The Australian and New Zealand governments have invited Premier Ky for official visits on 18 and 23 January, respectively. Earlier, South Vietnamese officials apparently offered the two governments an opportunity to postpone Premier Ky's tour in view of the violent objections which are being raised by opposition parties in both countries.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. The director of Asian affairs in the French Foreign Ministry on 9 January offered a US Embassy official his personal opinion that the current turmoil inside China might well provide Hanoi in coming weeks with its "maximum freedom of maneuver from the northern colossus" in regard to peace negotiations. He stated further that prospects were better because the US had arrived at an "unbeatable military position" in Vietnam at the same time that the enemy was divided (Sino-Soviet rift and Chinese internal problems). He went on to state, however, that he had seen nothing new in the recent remarks by Mai Van Bo in Paris or Pham Van Dong in Hanoi.

2. The French can be expected to use every piece of evidence to encourage the US toward negotiations. The French official's implication that Communist China has held Hanoi back from negotiating is not backed up by any evidence.

3. There has been no recent information on Hanoi's reaction to the current events in China but the North Vietnamese must be extremely shaken by them and must also be deeply concerned over the possibility that internal order will completely collapse within China. The North Vietnamese undoubtedly fear that the US may undertake some significant escalation of the war while China is tied down with its own problems. Moreover, Hanoi may well be concerned that further disorders in China could interfere with the vital flow of military goods from the Soviet Union which come over Chinese railroads.

4. It would not necessarily follow that Hanoi would move toward negotiations if the situation within China seriously deteriorated. A worsening of the situation in China, however, coupled with the poor prospects for Communist military successes in South Vietnam could place greater pressures on Hanoi's leaders than at any time since the US entered the war.

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DRV Denounces Thai Troop Commitment

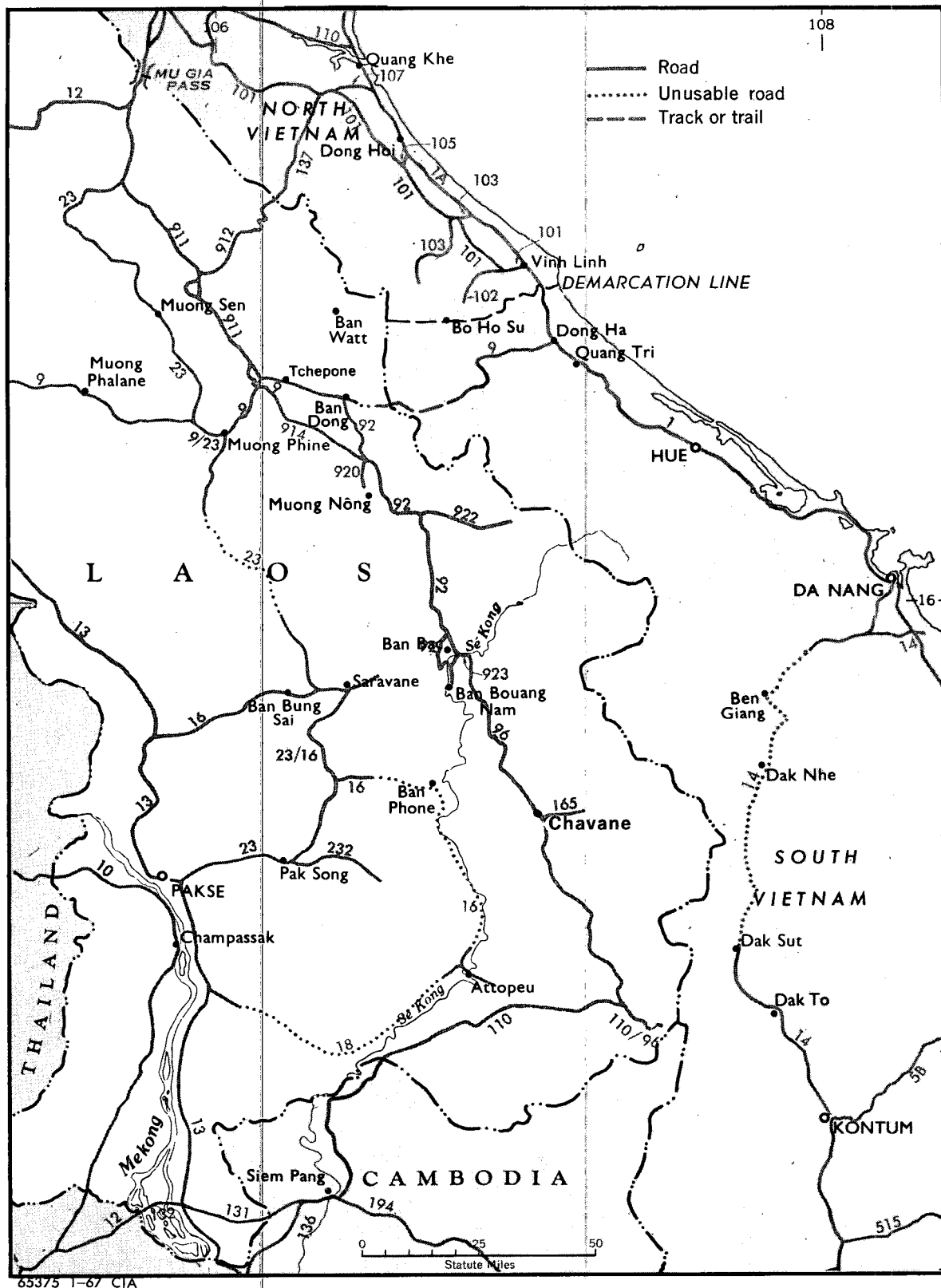
5. A spokesman of the DRV Foreign Ministry has condemned Thailand's recent decision to send 1,000 troops to South Vietnam and "other acts of US-Thai collusion." Echoing the routine language of earlier DRV attacks on Thai cooperation with the US effort in Vietnam, the spokesman warned on 10 January that the Thai authorities "would surely meet with due punishment and would have to bear full responsibility for their actions." No specific threat against the Thai forces in South Vietnam was raised, however.

6. To document the charge of Thai collusion with the US, the spokesman pointed to the use of Thai air bases by US aircraft and the presence of Thai naval personnel along the South Vietnamese coast. He alleged that the Thais have granted permission for the dispatch of a number of B-52s to their country. In addition, he issued a series of documents which he alleged showed how Thailand had become a partner of the US in the latter's "war of aggression against Vietnam and its acts of intervention against Laos and Cambodia."

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LAOS PANHANDLE



VI. OTHER MAJOR ASPECTS

1. So far the Communists appear to have moved only moderate numbers of trucks south into the Laotian panhandle during the current dry season.

2. Trained roadwatchers located just north of the Mu Gia Pass saw about 190 trucks moving toward the Laos border between 3 and 9 January on one of the two roads connecting the panhandle with North Vietnam. This is the largest number of trucks reported moving into Laos via the Mu Gia Pass since last November. The Communists probably have been prepositioning supplies and equipment around Mu Gia in preparation for moving them piecemeal into South Vietnam, but it has not been possible to trace the trucks south of the pass.

3. In the lower panhandle, available evidence also points to increased Communist trucking activity. Recent photography indicates that the Communists have now opened a major portion of the truck routes south of Route 9 despite continued US air strikes. On 5 January, US pilots spotted some 30 trucks moving south in the Chavane area. This is the largest concentration of trucks reported this far down the panhandle since the end of the rainy season in October.

4. At the southern tip of Laos, Route 110 is reported by aerial observers to be open to trucks along its entire length. Ground observers reported small numbers of trucks moving toward South Vietnam in late December. It seems likely that these trucks are carrying foodstuffs procured in Cambodia.

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